

Honorable Mayor and Members
of the City Council
City Hall
Torrance, California

Members of the Council:

SUBJECT: Public Works – Conduct public hearing and adopt RESOLUTION approving sanitation fee increase.

RECOMMENDATION

Recommendation of the Public Works Director that City Council:

1. Conduct a public hearing on the proposed increase to the residential sanitation services fee of either \$1.50 or \$2.50 per month, depending on level of service, including a green waste recycling program;
2. Approve the annual Consumer Price Index adjustment for the next 5 years;
3. Approve February 1, 2012 for the start of the fee increase; and
4. Adopt a **RESOLUTION** approving the proposed sanitation fee increase.

Funding

Not applicable.

BACKGROUND

On November 22, 2011, the City Council approved a request to hold a public hearing on the proposed sanitation services fee increase, as required by the 2006 Supreme Court Ruling "Bighorn-Desert View Water Agency v. Verjil Kelley". The fee increase will enable the Public Works Department to comply with waste reduction and climate change regulations, including the full implementation of the green waste recycling program.

As per the required procedure, the public notice was mailed the week of December 5, 2011; the public was given more than 45 days notice of the date of the hearing. The notice was sent to property owners and tenants if they are the billed party. The notice included the reason for the rate increase and an explanation of the protest letter process. A sample protest letter was also enclosed. This information was posted to the City's website. Notification of the public hearing was printed in the Daily Breeze on January 14 and 20, 2012. As of this writing, approximately 1,200 responses have been received. To meet the required amount of protest letters needed to prohibit the increase from occurring, 50% +1 of the affected homes must submit a protest letter before the end of the public hearing. In this case the number of letters needed would be approximately 14,500.

ANALYSIS

All cities are required by the California Integrated Waste Management Act of 1989 (AB 939) to reduce the amount of waste taken to landfills by 50% or face potential fines. Given this mandate, the City of Torrance needs additional programs, such as residential green waste recycling, to reach and maintain that diversion rate. The curbside green waste recycling program will enhance the level of service provided to the community by reducing the amount of refuse taken to landfills and adding additional cart capacity for each residence. This program will collect about 14,500 tons of green waste annually, which represents approximately 28% of the City collected residential waste stream for the entire city. After implementation, the City's overall diversion rate is expected meet the 50% State mandate.

The recently enacted AB 32, regarding reduction in carbon emissions, and new Air Quality Management District regulations require cities to comply by purchasing alternative fuel vehicles. Also, the green waste program and use of more environmentally effective vehicles are in alignment with Torrance's Cool Cities initiative and Strategic Plan goals.

Currently, 9,500 homes in 4 different areas of the city are participating in the pilot green waste program, at no additional charge to the residents. All operating costs were absorbed by the Division through a number of efficiencies, such as changes in collection routes. To offer the program to all homes with City service, additional labor, vehicles and containers are necessary. The pilot program has been very successful, diverting over 4,000 tons of green waste during the last year.

The last fee increase for sanitation services was in 2002. As outlined in Resolution 2002-87, any rate changes will require an amendment to the Resolution to reflect the new fee structure. The amended Resolution is attached.

Fee Increase Proposal Detail:

In January 2010, staff had proposed an increase of \$5.86 a month per home to provide full implementation of the green waste program. Since that time, staff has made several changes to the program. Full green waste implementation will now require 6 vehicles as opposed to 7 vehicles in the original proposal. The entire program will consist of 6 routes; 2 routes have been covered through efficiencies and 1 additional route will be covered by the elimination of an existing solid waste route. The remaining 3 routes are needed to implement the new standard service levels and will be funded by the proposed increase. In addition, the new recycling contract increased the revenue received from the sale of recyclables by 35% (from \$48/ton to \$65/ton), increasing recycling revenue by approximately \$200,000 annually.

Staff has developed new service level options to meet capacity requirements and encourage more waste diversion by the public.

<u>Current Standard</u>	<u>Proposed Standard</u>	<u>Optional Service</u>
Refuse – 96 gallon	Refuse - 64 gallon	Refuse – 96 gallon
Recycling – 96 gallon	Recycling - 96 gallon	Recycling – 96 gallon
Green Waste – None	Green Waste - 96 gallon	Green Waste – 96 gallon

The proposed standard level of service will have a \$1.50 per month increase. The optional service level will have a \$2.50 per month increase. All service levels will now include a green waste container. Implementation of the new service will be within 1 year. Residents will be required to request the change to the 64 gallon refuse container, or they will keep their existing container and be charged the \$2.50 monthly increase.

Residents are able to choose the size of their green waste and recycling containers, and it will not affect their fee. Green waste and recycling containers are available in both 96 and 64 gallon sizes. Residents must also call to request any changes they would like for those containers. Once a change is made to any container size, the residents must keep the container for a minimum of 6 months before making another change. If we are not contacted, we will deliver a standard 96 gallon green waste container.

The low-income senior/disabled rate will remain at \$8.72 a month and will be required to accept the 64 gallon size refuse container (the proposed standard service level. To qualify for this rate, a resident must be a minimum of 62 years of age or permanently disabled, with an annual household income less than \$27,225 for the prior calendar year.

Of the 88 cities in Los Angeles County, 82 have some type of residential green waste recycling program.

If this fee increase is approved, it would begin on February 1, 2012. A Consumer Price Index (CPI) adjustment will be applied to the rate annually each July 1 for five years.

Respectfully submitted,

ROBERT J. BESTE
Public Works Director



By: Matthew Knapp
Sanitation Services Manager

CONCUR:



Robert J. Beste
Public Works Director

LeRoy J. Jackson
City Manager

Attachments: A. Notice
B. Resolution